

TENNESSEE HOUSING DEVELOPMENT AGENCY  
BOARD OF DIRECTORS  
July 17, 2003

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency Board of Directors met on Thursday, July 17, at 1:00 P.M. in Conference Room A in Suite 1116, Parkway Towers, Nashville, Tennessee.

The following members were present: Janice Cunningham for Steve Adams, Susan Brown, Bob Cooper, Gerald Reed for Riley Darnell, Peter Abernathy for Commissioner Goetz, Harold Hunter, Ronnie Knight, Eddie Latimer, Ann Butterworth for John Morgan, Tom Mottern, Ralph Perrey, and Jerry Sisson.

The following members were absent: Bill Bruce, Leigh Ferguson, John Kalec, Jeff Reynolds, Larry Rogers, Jackie West, and Caestine Williams.

Jerry Sisson, Vice Chair, called the meeting to order and thanked members for the opportunity to preside. Vice Chairman Sisson encouraged attendees to stop by the reception area to view the Agency's Hall of Fame and recent inductee plaques. Former Chairman David Hayes was inducted for his work and leadership. Maria "Tippi" Northern was inducted posthumously into the Hall of Fame.

Mr. Sisson welcomed Mr. Eddie Latimer, Executive Director of Affordable Housing Resources, Inc. Vice Chairman Sisson thanked Mr. Latimer for his willingness to serve as the Board's homebuilder representative and added that Mr. Latimer's experience and knowledge will be a real asset to the Board.

Mr. Sisson opened the meeting for public comment and there were none. The first item of business was approval of the minutes of the May 15, 2003, meeting. Following a motion from Mr. Knight and a second by Mr. Mottern, the minutes were approved as distributed.

Mr. Sisson gave Janice Myrick, Executive Director, the opportunity to make employee recognitions. Ms. Myrick introduced and recognized the Employee of the Quarter recipient, Ms. Linda Simmons. Ms. Simmons is the Field Office Manager at the Milan office, and was selected for her unselfish work with tornado victims in the Jackson area. Ms. Myrick also presented service awards to Yvonne Beard (5 years) and Marvene Carey (10 years).

The next item on the agenda was the Monthly Report. Ms. Myrick summarized several of the fiscal year end items included in the report. Most importantly, the Agency is under budget for the fiscal year. At fiscal year end, over \$155 million in single-family mortgages were committed. Contract Administration continues to collect more administrative funds than are budgeted. Future grant summary reports will reflect recaptured HOUSE funds and disaster program dollars. Ms. Myrick referred members to the Multifamily Tax Exempt Bond Authority handout. The document reflected over \$43 million in allocations available following the July 1, 2003, removal of divisional caps. Vice Chairman Sisson asked staff to plan on reporting program status at the next Policy & Programs Committee meeting. No low-income tax credit reservation letters have gone out, thus the report indicated authority remaining in that program. An important figure in the Section 8 tenant based program is the Agency's 102% lease-up of its vouchers. HUD will make funding decisions based on this number at any point in time and the Agency must strive to remain within a 98%-100% range. Ms. Myrick referred members to the race and gender breakdown of Agency employees noting that the Agency currently has 179 employees, and has received approval for eight new positions. Ms. Myrick reminded members that the Agency budget will be submitted to the Board for approval at the September meeting. Following the review of the report, Ms. Cunningham asked about the progress of the direct servicing pilot project and Ms. Myrick responded

that the project is going smoothly. Ms. Cunningham asked that staff update the Board on the project at the September meeting.

Vice Chair Sisson asked Ms. Susan Brown, Grants Committee Chair, to report on the 2003 HOME application agenda item. Ms. Brown referred members to the material in their packet, noting that just under \$13 million is available for allocation to nine separate regions across the state. The Agency will fund an increased number of applications and Grants Committee members believe that more people will benefit due to recent program changes. Per the Grants Committee recommendation, Ms. Brown entered the motion to approve HOME awards as distributed. Mr. Reed seconded the motion. The motion carried unanimously. Ms. Brown offered a clarification of the east, middle, and west Tennessee regional distributions. A discussion followed regarding the application cycles of the Multifamily Tax Exempt Bond Authority Program, the Low-Income Housing Tax Credit Program, and the HOME Program.

Ms. Brown updated members on the recaptured HOUSE funds being allocated to disaster recovery. Counties, non-profits, and cities in Madison, Hamilton, Dyer, Henderson, Bradley, McMinn, and Rutherford counties may apply for specific amounts of the \$500,000 available. Applications are due August 15, 2003. Vice Chairman Sisson thanked the Grants Committee and Agency staff on their efforts in the Grants Program.

Lynn Miller, General Counsel, thanked Board members and representatives for returning completed 2003 Disclosure Forms. The Audit and Budget Committee will review staff's analysis of Board and staff disclosures at the September 2003 meeting and make a recommendation to the Board regarding the analysis.

Vice Chairman Sisson asked Ms. Lorrie Shearon, Director of Research, Planning, and Technical Services, to share information on the new MSA designations. Ms. Shearon referred members to the color-coded map in their packet. The map indicates revised MSA designations in accordance with the Office of Management and Budget (OMB) definitions based on the 2000 Census. Effective June 2003, every MSA definition within the state has changed, except for the Jackson MSA. The OMB created Micropolitan (small, lower-populated areas) and Combined Statistical Area definitions. Ms. Shearon reviewed the major definition changes, noting that the Memphis MSA includes counties in Arkansas and Mississippi. Ms. Shearon added that staff has received no guidance regarding the affect on program administration. Bond Counsel advises that the Agency should continue to use current limits in the Homeownership Program until the annual analysis of acquisition and income limits at the November 2003 Board meeting. Mr. Latimer voiced concern regarding the possibility of losing housing due to the federally-imposed cap and inquired of proactive action the Agency could take. Ms. Shearon responded that in the past an exception was given in this type situation. Ms. Myrick added that the Agency would continue to work with the NCSHA on this matter. Mr. Reed inquired as to the logic of including Macon County in the Nashville MSA. Ms. Shearon responded that this is due in part to commuting patterns.

Ms. Myrick presented the remaining agenda items. Regarding Federal legislation, the HUD Funding Sub-Committee is working on the appropriations this week. There is news that the Center on Budget and Policy Priorities has suggested that the Section 8 Voucher Program is under-funded and it is possible 184,000 fewer vouchers will be funded. Nashville media has reported that Nashville could lose about 450 vouchers, with a statewide loss of 2,660 vouchers. Ms. Myrick reported that the HOME Down Payment Bill may pass as it is written. Regarding the Housing Assistance for Needy Families (HANF) Bill, Ms. Myrick shared that Agency staff recently met with local PHAs at a meeting of the Tennessee Association of Housing and Redevelopment Authorities (TAHRA). The local PHAs are very concerned about the loss of funding if the HANF Bill is passed. Staff received information on TAHRA's

contact with TennCare regarding funding for assisted living. Staff will continue to communicate with the local PHAs regarding this endeavor.

Ms. Myrick shared that on June 13, 2003, the Agency's 30<sup>th</sup> Anniversary Thank You event was held at the Hermitage Hotel. Former Governors Dunn and McWherter attended, along with Governor Bredesen. Several past Board members attended, including Comptroller Snodgrass, the longest serving member of the Board. Representative John Bragg, Chairman of the House Finance Committee in 1973, was also present. The State Photographer took photos and local media reported on the celebration. Ms. Myrick reminded members of the event scheduled for September 4, 2003, with the Memphis Realtors Association.

Ms. Myrick reported that the Agency received approval for two members to participate in the NCSHB Workshop in Alaska. Mr. Bruce and Mr. Sisson, along with Mr. Perrey through Fannie Mae, will attend the workshop scheduled for August 10-12, 2003.

Ms. Myrick referred members to the Five Year Resource Projection handout that includes updated information due to the proposed refunding causing a large amount of available resources.

Ms. Myrick asked members to refer to the letter in their packet from Bankers Mortgage Company. Linda Sparks, Vice President, wrote to thank the Agency for assisting a Jackson resident whose home was destroyed in a tornado. The before and after photos of Tracy Boykin's property included with the letter show the visual reality of this disaster and the assistance provided by the Agency through its Disaster Relief and Economic Recovery Program. Ms. Myrick added that the program is receiving media coverage in the area such as the article *The Jackson Sun* published about a renter displaced by a tornado. After 17 years of renting, Betty Kirby was able to purchase a home through the program. Plans are underway for a special event to celebrate Ms. Kirby's purchase and increase public awareness of the program. Ms. Cunningham asked that these success stories be shared with former Chair David Hayes, along with an invitation to participate in the celebration due to his work in development of the program. Ms. Myrick advised that Mr. Hayes would most likely attend the celebration and she encouraged Board members to attend the event tentatively scheduled for August 8<sup>th</sup>.

All Board members received the Agency's Investment Report. The report provided to Bond Finance Committee members included transaction details. Ms. Myrick said that Ted Fellman, Chief Financial Officer, is available to answer any questions about the report. She complimented the Finance Division for their work in the investment area. Mr. Sisson encouraged members to read the report in preparation for the annual budget review at the September meeting.

Ms. Myrick shared that staff attended the dedication of the 99<sup>th</sup> House the General Assembly Built, in Nashville. Agency staff were able to help construct the house because it was in Nashville.

Ms. Myrick told members that the Agency has acquired additional office space in Parkway Towers. This additional space will allow the Section 8 Contract Administration Division, currently located in the Andrew Jackson Building, to move to Parkway Towers. This move is scheduled for September. In years past, the September meeting is held elsewhere in the state; however, due to the planned move, the meeting will take place in Nashville.

Vice Chairman Sisson asked Mr. Latimer to discuss the plan to establish an Affordable Housing Task Force. Mr. Latimer shared that affordable housing advocates met to discuss affordable housing issues. Industry leaders are concerned about the loss of the HOUSE program. Governor Bredesen plans to appoint three regional committees. Mr. Latimer expects Board members to be invited to attend committee meetings and the Agency would be invited to attend the regional committee meetings. It is

hoped that this Committee will produce long-term opportunities for producing affordable housing in the state. Mr. Latimer asked that committee nominations be made known to either himself or Ms. Myrick.

Ms. Miller reported that on June 19, 2003, the Bond Finance Committee approved the pricing of Bond Issue 2003-2. The bond issue priced very well and the Agency will have \$60 million of additional resources for single-family loans at attractive interest rates. Staff continues to work on the 2003 Series A Refunding under the 1974 General Resolution. Ms. Miller encouraged Board members to read the Official Statement prepared for these bond issues, adding that the Board has responsibility for periodically reviewing the document and calling staff's attention to items that may be inaccurate or misleading. Copies of the current official statement are available.

With no further business to come before the Board, the meeting adjourned.

Respectfully submitted,

Janice L. Myrick  
Executive Director

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